

**CALIFORNIA BOARD OF ACCOUNTANCY**

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RENEWAL INFORMATION & INSTRUCTIONS for CPA/PA Licensees

New Issues - Changes to Continuing Education Requirements

Effective June 8, 2000, some of the significant regulation changes to continuing education (CE) requirements are:

- Licensees who renew their licenses after July 1, 2001, are required to complete a minimum of 50 percent of CE hours for an active license renewal in subject areas such as: accounting, auditing, taxation, consulting, financial planning, professional conduct as defined in Section 87.7, computer and information technology (except for word processing), and specialized industry or government practices.
- Licensees who renew their licenses after July 1, 2001, are not allowed to claim more than 50 percent of the required CE hours for an active license renewal in subject areas such as: communication skills, word processing, sales, marketing, motivational techniques, negotiation skills, office management, practice management and personnel management.
- Nonacceptance of CE hours claimed for an active license renewal in subject areas such as: personal growth, self-realization, spirituality, personal health and/or fitness, sports, recreation, foreign languages and cultures.
- For CE programs longer than one 50-minute class hour, the allowance of 25-minute segments to be combined to calculate the CE hours claimed for an active license renewal.

GENERAL INFORMATION FOR CPA/PA LICENSE RENEWAL

A renewal form will be sent to you approximately two months prior to the license expiration date.

Change of Name - If you have changed your name, please contact the Board at (916) 263-3949 or facsimile to (916) 263-3676 for a license name change affidavit.

Fee - The biennial renewal fee, as shown in PART B of the renewal form, must be returned with the completed renewal form by the license expiration date. The check or money order is to be made payable to the Department of Consumer Affairs. Do not send cash. The renewal fee for inactive or active licenses is the same.

A delinquent penalty of 50 percent of the renewal fee will be added to renewals postmarked after the license expiration date.

Where to Mail - Return the completed renewal form and the appropriate renewal fee to the Department of Consumer Affairs, P. O. Box 942501, Sacramento, CA 94258-0501.

Processing Time - Please allow six to eight weeks for processing of your renewal. An incomplete or inaccurately completed renewal form may result in your license being withheld and in loss of practice rights. You will be notified by mail of such deficiencies.

If you do not receive your new pocket certificate within eight weeks after your renewal, please contact the Board.

Renewal Alternatives - For information on active or inactive status, please see Q1 below.

- **Renewing on time:** Your license will expire at midnight on the expiration date as shown in PART B of the renewal form. If the completed renewal form with the appropriate renewal fee is not mailed and postmarked by the expiration date, practice rights terminate until the license is renewed.
- **Renewing delinquent:** If you do not practice public accountancy after the license expiration date shown in PART B of the renewal form, you may let your license expire. An expired license may be renewed any time up to five years after the license expiration date. However, only one "late" renewal form will be mailed approximately 30 days after license expires; no subsequent renewal forms will be sent.

Please contact the Board at the telephone numbers listed on page 9, if you wish to renew and do not have a renewal form.

Be advised, you must pay all past renewal fees and the delinquent fee. The continuing education requirements for the current period must also be fulfilled if renewing as active.

- **Retiree:** There is no longer a need to apply for a retired accountant seal if you do not intend to practice public accounting any more. No further seals will be issued. You may simply let your license expire. You are allowed to continue to display your certificate and may use the CPA or PA designation in a social context. However, with an expired license you cannot use the CPA, PA, retired CPA, or retired PA designation to solicit clients or perform any of the activities defined as the practice of public accountancy by Business and Professions Code Section 5051.

The above renewal delinquency policy and the following cancellation policy also apply to retirees.

- **Cancellation:** Pursuant to Business and Professions Code Section 5070.7, "(a) A permit that is not renewed within five years following its expiration may not be renewed, restored, or reinstated thereafter, and the certificate of the holder of the permit shall be canceled immediately upon expiration of the five-year period...."

Re-issuance: A former licensee whose license has been canceled, and who wishes to obtain a new license, must contact the Board at the telephone numbers listed on page 9 for information about regaining practice rights.

HOW TO COMPLETE THE RENEWAL FORM

PART A: Complete your name and daytime phone number on the space provided.

Q1. **Active:** Check here if you want to maintain practice rights, **and** you have completed the continuing education requirements. See instruction of Q3 below for continuing education requirements.

Inactive: Check here if you have not completed the required continuing education, or if you do not wish to renew active. The renewal fee is the same as renewing active. Practicing public accountancy while in inactive status will subject the licensee to disciplinary action for engaging in unlicensed practice.

An inactive license may be converted to active status before the next license expiration date by completing 80 hours of required CE, including an 8-hour Board-approved Professional Conduct and Ethics course within 24 months prior to the conversion. Please contact the Board at the telephone numbers listed on page 9 for a **License Status Conversion Form**.

Be sure also to mark the corresponding Box 1 “CURRENT LICENSE STATUS” in PART B of the renewal form with the same answer to this question.

Q2. **Street Address:** If the mailing address shown in PART B of the renewal form is a post office box or mail drop, please report the street address of your residence or business here. This address is not considered public information.

Q3. Answer “YES” if you have completed the required hours of continuing education during the two years preceding your license expiration date.

Continuing Education Requirements:

(a) You must have at least 80 hours of CE in the two years preceding the license expiration date, to renew with an active status. See Q4-6 to determine whether you need to meet specific CE requirements in Professional Conduct & Ethics, Government CE, or Accounting & Auditing CE.

For new licensees or licensees who are converting from inactive status (reentry): You must have completed 20 hours of CE for each full six-month period from the date the license was initially issued or the date of license status conversion to the license expiration date. This is the method to calculate the total CE hours required for an active renewal; it does not mean you have to complete 20 hours of CE within each six-month period.

(b) Formal programs of learning which contribute directly to the professional competence of the licensee are deemed as acceptable CE. Programs in the following subject areas are **not** acceptable CE: personal growth, self-realization, spirituality, personal health and/or fitness, sports and recreation, foreign languages and cultures, and other subjects which will not contribute directly to the professional competence of the licensee. It is a licensee’s obligation to select acceptable CE courses.

(c) 100 percent of the CE requirements may be in qualifying self-study programs.

(d) As an instructor or a discussion leader, up to two additional hours of actual preparation time may be claimed for each hour of presentation. Total credit for teaching cannot exceed 50 percent of required CE hours. For repeat presentations, an instructor or a discussion leader shall receive

no credit unless he or she can demonstrate that the program content was substantially changed and that such change required significant additional study or research.

(e) As an author of published books or articles, total credit for publications cannot exceed 25 percent of required CE hours.

(f) A live presentation program must be measured in 50-minute class hours. For programs in which individual segments are less than 50 minutes, the sum of the segments, in increments not less than 25 minutes, may be added together to equal a full class hour.

(g) For CE courses taken from institutions of higher education, each semester unit is equal to 15 hours; each quarter unit is equal to 10 hours.

(h) You must be able to provide certificates of completion or other supporting documentation upon request. It is your responsibility to maintain certificates of completion for all CE you have taken for four years after renewal. A certificate of completion for the Professional Conduct and Ethics course is required for six years after renewal.

If CE requirements are not completed, you may not renew as active.

Your alternatives are:

- Complete your CE by the license expiration date to renew in an active status.
- Renew as inactive. No CE is required.
- Renew delinquent. Complete your required CE after the license expiration date but before the date you intend to renew. A delinquent penalty will be added to the renewal fee. **During the period of license delinquency, practice rights are lost and a licensee shall not practice public accountancy or be a partner/ shareholder in a California accountancy partnership or corporation.**
- Apply for an extension or exemption. A licensee may request either an extension of time to complete CE or an exemption from the CE by submitting an application to the Board, prior to license expiration. Please contact the Board at the telephone numbers listed on page 9 for an Application for CE Extension or Exemption.

Extensions or exemptions may be granted for the following causes:

- 1) Reasons of health, certified by a medical doctor, which prevent compliance by the licensee.
- 2) Other good causes, such as death of a spouse or immediate family member, natural disaster, or other similar causes.

No extension or exception shall be made solely because of age or workload constraints.

Q4. Professional Conduct and Ethics (PC&E): Answer “YES” if you have completed at least 8 hours of Board-approved PC&E during the two years preceding your license expiration date. If your answer is “YES”, you must also report the PC&E course information, including an approval number, in PART C. If you do not know the approval number, please contact the provider. Section 87.7 requires a licensee to complete a minimum of eight hours of continuing education in professional conduct and ethics within the six years preceding the license expiration. Effective January 1, 1998, this requirement is being phased in over a six-year period. The effective date for each individual is linked to the last two digits of CPA/PA license number.

Statements printed in red in PARTS A and B of the renewal form indicate when you are required to complete a Board-approved PC&E course for an active renewal. No PC&E is required for an inactive renewal.

An approved course may be completed earlier than the required date. However, it is important to report on the renewal form when you have completed a qualifying PC&E course earlier than required, to allow the automated tracking of the due date for your next PC&E course.

If PC&E is required for an active renewal, it must be completed prior to the license expiration date and reported on the renewal form. If not, a hold will be placed on your license renewal, and practice rights cease after the license expiration date.

Only PC&E courses pre-approved by the Board will qualify. See the enclosed flyer for a current list of Board-approved PC&E courses. Before you attend, be sure to confirm if the PC&E course is currently approved by the Board.

If you completed the 1997 or prior version of the ethics exam to obtain your initial license within the last five years, you may receive PC&E credit by requesting the “California supplement” package from the California CPA Education Foundation at (800) 922-5272. When you complete the supplement and so certify on the postcard provided, mail it to the Board office. Once the postcard is received by the Board, you will be considered to have the equivalent of a PC&E credit for six years from the first license expiration date.

Write “postcard submitted” in the space for PC&E approval number in Part C. No CE hours can be claimed for either the ethics exam or the supplement.

- Q5. Government CE Requirement:** Answer “YES” if you have engaged in planning, directing, or conducting substantial portions of field work, or reporting on financial or compliance audits of a governmental agency during the two years preceding your license expiration date.

If your answer is “YES”, you must complete 24 hours of qualifying CE in the areas of government accounting and auditing or related subjects during the two-year license renewal period.

A governmental agency is defined as any department, office, commission, authority, Board, government-owned corporation, or other independent establishment of any branch of federal, state, or local government. California regulatory definition does not include non-profit organization or any organization receiving funds through federal financial assistance. However, all licensees are also required to comply with Federal Government Auditing Standards.

Related subjects are those which maintain or enhance the licensee’s knowledge of governmental operations, laws, regulations or reports; any special requirements of government agencies; subjects related to the specific or unique environment in which the audited entity operates; and other auditing subjects which may be appropriate to government auditing engagements.

A licensee who meets the government CE requirement shall be deemed to have met the accounting and auditing CE requirement, but not vice versa.

The 24-hour government CE cannot be prorated except as follows:

For new licensees or licensees who are converting from inactive status (reentry): You must complete 6 hours of government CE as part of each 20 hours of CE required for an active renewal.

Extension for Government CE: If you are planning to renew active, have completed the required total hours of CE in the two years preceding the license expiration date, and you become subject to government CE requirement during the last six months of a two-year license renewal period, you can request a six-month extension from the license expiration date to complete government CE. Please contact the Board at the telephone numbers listed on page 9 for an application for CE extension or exemption.

- Q6. Accounting & Auditing (A&A) Requirement:** Answer “YES” if you have engaged in planning, directing, approving, performing substantial portions of the work, or reporting on an audit, review, compilation, or attestation services on a non-governmental entity during the two years preceding your license expiration date.

If your answer is “YES”, you must complete 24 hours of qualifying CE in the course subject matter during the two years preceding your license expiration date.

Course subject matter must pertain to financial statement preparation and/or reporting, auditing, reviews, compilations, industry accounting, attestation services, or assurance services.

Accounting and auditing includes accounting or financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, any other related subjects generally classified within the accounting discipline.

It also includes auditing subjects related to the examination of financial statements or portions thereof, (for example, agreed-up procedures), operations systems, and programs; the review of internal and management controls; and the reporting on the results of audit findings, review or compilation.

For new licensees or licensees who are converting from inactive status (reentry): you must complete 6 hours of A&A as part of each 20 hours of CE from the date the license was initially issued or the date of license status conversion to the license expiration date.

Extension for A&A: Same policy as described in the extension for Government CE. Please refer to the information in Q5 above.

- Q7. Current Practice:** Answer “YES” if you are currently practicing public accountancy.

- Q8. Issuance of Financial Statements:** Answer “YES” if you practiced public accountancy, had primary responsibility for, **and** signed at least one financial statement during the two years preceding the license expiration date. Also indicate the types of reports you issued.

If you have the final responsibility for the issuance of financial statements; and/or you are responsible for authorizing the firm’s name to the reports, you should answer “YES” to this question.

Answer “NO” if you were a member of the engagement team, even as an auditor in charge, but did not have authority to sign the financial report.

For purposes of evaluating and maintaining a licensee's competence, Section 89.1 allows the Board to request licensees to submit a self-selected financial report and related financial statements for which they have had primary responsibility, authority to sign, and they have issued.

Q9. Peer Review: Answering is optional. Answer "YES" if you, as an individual or as a member of your firm, underwent a peer review by a professional organization of CPAs during the three years preceding your license expiration date.

Signature Box: The renewal form must include your signature and the date you complete the renewal form. The signature is required to renew the license.

PART B:

Social Security Number: Disclosure of your Social Security number (SSN) is mandatory. Please proofread your SSN as printed on the top right corner in PART B of the renewal form. If your SSN is incorrect or is blank, correct it in the box beneath the SSN.

Section 30 of the Business and Professions Code and Public Law 94-455 (42 USCA 405 (c)(2)(C) authorize collection of your SSN. Your SSN will be used exclusively for tax enforcement purpose, for compliance with any judgment or order for family support in accordance with Section 11350.6 of the Welfare and Institutions Code, or for verification of licensure or examination status by a licensing or examination entity which utilizes a national examination and where licensure is reciprocal with the requesting state. **If you fail to disclose your SSN, your license renewal will not be processed AND you will be reported to the Franchise Tax Board, which may assess a \$100 penalty against you.**

BOX 1: License Status: Refer to your answer to question 1 in PART A of the renewal form, and mark the active or inactive box accordingly.

BOX 2: Change of Address: Report a new mailing address if it is different from the address shown in PART B of the renewal form. If your new mailing address is a post box or mail drop, please make sure to report the street address of your residence or business to the question 2 in PART A.

BOX 3: Telephone Number: Enter your daytime phone number.

PART C:

If you renew with active status, please list all CE courses and provide the required information for the courses you have completed within the two years preceding your license expiration date. A Professional Conduct & Ethics course should include an approval number issued by the Board. See Q3 on page 3 for CE requirements.

If additional space is needed, this form may be reproduced. While it is preferred this form be used, a computer printout in the same format, including all information on the CE Reporting Worksheet and your name and license number, is acceptable.

Do not submit certificates of completion or supporting documentation unless specifically requested to do so.

IMPLEMENTATION OF STATUTES AND REGULATIONS RELATED TO RENEWALS

Change of Address

Section 3 of the Accountancy Regulations requires each licensee to report in writing to the Board any change in his or her address of record within 30 days after the change. If the address of record is a post office box or mail drop, the licensee shall also report the street address of either a primary place of employment or a residence.

Reportable Events

Section 5063 of the Accountancy Act requires licensees to report to the Board of Accountancy certain events related to the practice of public accountancy. The events to be reported are set forth in Section 5063 as follows:

Section 5063(a) A licensee shall report to the Board in writing of the occurrence of any of the following events occurring on or after January 1, 1997, within 30 days of the date the licensee has knowledge of these events:

(1) The conviction of the licensee of any of the following:

(A) A felony.

(B) Any crime related to the qualifications, functions or duties of a public accountant or certified public accountant, or to acts or activities in the course and scope of the practice of public accountancy.

(C) Any crime involving theft, embezzlement, misappropriation of funds or property, breach of a fiduciary responsibility, or the preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information. As used in this section, a conviction includes the initial plea, verdict, or finding of guilt, pleas of no contest, or pronouncement of sentence by a trial court even though that conviction may not be final or sentence actually imposed until appeals are exhausted.

(2) The cancellation, revocation, or suspension of a certificate, other authority to practice or refusal to renew a certificate or other authority to practice as a certified public accountant or a public accountant, by any other state or foreign country.

(3) The cancellation, revocation, or suspension of the right to practice as a certified public accountant or a public accountant before any government body or agency.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts which constitute the reportable event. If the reportable event involves the action of an administrative agency or court, then the report shall set forth the title of the matter, court or agency name, docket number, and dates of occurrence of the reportable event.

(c) A licensee shall promptly respond to oral or written inquiries from the Board concerning the reportable events, including inquiries made by the Board in conjunction with licensee renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the Board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

Although Section 5063 does not require licensees to report events that occurred prior to January 1, 1997, licensees may be required to respond to inquiries from the Board about such matters.

The reporting of an event pursuant to Section 5063 must be in writing and shall be sent to the Chief of the Enforcement Division, California Board of Accountancy, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832, or facsimile to (916) 263-3673.

Payment of Administrative Fines

If you are a licensee who has an outstanding administrative fine owed to the Board of Accountancy, be aware of the following, **prior to** submitting renewal fees.

Payment of an outstanding administrative fine is an express statutory condition for renewal. Business and Professions Code §125.9(b) (5) states in pertinent part, "A license shall not be renewed without payment of the renewal fee and fine."

This statute specifically require that full payment of any outstanding fine or cost recovery must be made, in addition to the renewal fee, as a condition of renewal. The lack of full payment will result in non-renewal. Payment less than the full payment will be retained by the Board and applied to any outstanding fines. Any remaining amount will then be applied to the renewal fee.

A delinquent renewal penalty will be assessed if the matter is resolved after the expiration date of the license.

TELEPHONE NUMBERS FOR ASSISTANCE

Any questions regarding CPA/PA license renewal, CE requirements, CE extension/exemption, address change: Last name starts A - E (916) 263-3934 F - K (916) 263-3798 L - Q (916) 263-3799 R - Z (916) 263-3935 Fax (916) 263-3672 E-mail address: renewalinfo@cba.ca.gov	License re-issuance Last name starts A - Hn (916) 263-3946 Ho - Pi (916) 263-3945 Pj - Z (916) 263-3947 Fax (916) 263-3676
Name change (916) 263-3949 Fax (916) 263-3676	Reportable events (916) 263-3975 Fax (916) 263-3673

Board of Accountancy Web Site: <http://www.dca.ca.gov/cba>